



PREFERRED RISK LIFE INSURANCE COMPANY

1111 Ashworth Road, West Des Moines, Iowa 50265-3537

A Stock Company

Policy Number

5795511

Insured

JEANETTE H SMITH

Plan

FLEXIBLE PREMIUM ADJUSTABLE LIFE

Policy Date

4/12/1991

**WE WILL PAY** the Proceeds Payable on Death to the beneficiary, subject to the provisions of your policy, when due proof of the Insured's death is received at our Executive Office.

**WE WILL PAY** the Proceeds Payable on Maturity to the Owner on the Maturity Date, subject to the provisions of your policy, if the Insured is living on that date.

The Owner and the Beneficiary are as named in the application unless changed as provided in your policy. Your policy is issued in consideration of the application and payment of a premium.

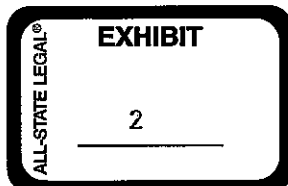
Signed for Preferred Risk Life Insurance Company at the Executive Office, 1111 Ashworth Road, West Des Moines, Iowa 50265-3537.

Secretary

President

Registrar

**20-DAY RIGHT TO EXAMINE POLICY:** Your policy may be returned to either your agent or our executive office within twenty days of its receipt if you wish. We will refund any premium paid and your policy will be considered void from its inception. **THIS IS A LEGAL CONTRACT. PLEASE READ IT CAREFULLY.**



**FLEXIBLE PREMIUM ADJUSTABLE LIFE POLICY.**

Adjustable Death Proceeds Payable at Death Prior to the Maturity Date.

Flexible Premiums Payable Until Maturity Date or Prior Death.

Net Fund Value Payable if Insured is Living on Maturity Date.

Non-Participating. No Dividends are Payable.

**DEFINITIONS:**

**YOU, YOUR** — means the Owner of this policy.

**WE, OUR, US** means Preferred Risk Life Insurance Company.

**THE INSURED** — means the individual named as the Insured on page 3 of this policy. The Insured may or may not be the Owner.

**POLICY SUMMARY**

It is important that you understand your insurance policy. We have used simple words in this brief summary and in the policy. This summary is not a substitute for the detailed policy provisions.

This is a flexible premium adjustable life to age 95 policy. An adjustable Death Benefit is payable upon the death of the Insured before the Maturity Date. The Net Fund Value is payable if the Insured is alive on the Maturity Date.

Premiums are payable until the Maturity Date. Sufficient premiums must be paid to continue the policy in force until then. Premium reminder notices will be sent for planned premiums and for premiums required to continue the policy in force. There is a right to reinstate the policy.

While the Insured is living some of the rights you have are the right to:

- change the Owner and the Beneficiary
- change the amount of insurance
- change the Death Benefit Option
- change premiums
- make loans
- make partial withdrawals
- surrender the policy
- choose alternate methods for payment of benefits

**TABLE OF GUARANTEED MAXIMUM COST OF INSURANCE RATES FOR THE STANDARD RATE CLASS**

Attained Age	Nonsmoker Premiums	Standard Premiums	Attained Age	Nonsmoker Premiums	Standard Premiums	Attained Age	Nonsmoker Premiums	Standard Premiums
0	.	\$0.09	32	\$0.13	\$0.19	64	\$1.59	\$2.77
1	.	0.09	33	0.13	0.20	65	1.76	3.03
2	.	0.08	34	0.13	0.21	66	1.95	3.31
3	.	0.08	35	0.14	0.22	67	2.16	3.60
4	.	0.08	36	0.15	0.23	68	2.38	3.89
5	.	0.08	37	0.16	0.25	69	2.62	4.21
6	.	0.07	38	0.17	0.28	70	2.89	4.56
7	.	0.07	39	0.18	0.30	71	3.25	4.95
8	.	0.06	40	0.19	0.33	72	3.56	5.39
9	.	0.06	41	0.21	0.36	73	3.97	5.89
10	.	0.06	42	0.22	0.40	74	4.43	6.43
11	.	0.06	43	0.24	0.44	75	4.92	7.03
12	.	0.07	44	0.26	0.48	76	5.45	7.65
13	.	0.08	45	0.28	0.52	77	6.01	8.28
14	.	0.10	46	0.30	0.57	78	6.58	8.90
15	.	0.11	47	0.32	0.62	79	7.19	9.55
16	.	0.13	48	0.35	0.67	80	7.87	10.24
17	.	0.14	49	0.38	0.73	81	8.62	10.99
18	.	0.15	50	0.41	0.79	82	9.47	11.82
19	.	0.16	51	0.45	0.87	83	10.42	12.75
20	.	0.16	52	0.49	0.95	84	11.47	13.73
21	\$0.14	0.19	53	0.54	1.05	85	12.59	14.73
22	0.14	0.19	54	0.59	1.15	86	13.75	15.73
23	0.13	0.19	55	0.65	1.26	87	14.95	16.70
24	0.13	0.18	56	0.72	1.38	88	16.16	17.76
25	0.13	0.18	57	0.79	1.51	89	17.41	18.81
26	0.12	0.17	58	0.87	1.64	90	18.69	19.86
27	0.12	0.17	59	0.96	1.78	91	20.05	20.94
28	0.12	0.17	60	1.05	1.94	92	21.52	22.09
29	0.12	0.17	61	1.16	2.11	93	23.16	23.57
30	0.12	0.18	62	1.29	2.30	94	25.26	25.48
31	0.12	0.18	63	1.43	2.53			

\*Issues under age 21 may qualify for the Nonsmoker risk class at age 21.

**PREFERRED RISK LIFE INSURANCE COMPANY**POLICY NUMBER:  
5795511**POLICY SPECIFICATIONS**

INSURED: JEANETTE H SMITH	MONTHLY DEDUCTION DAY: 12TH
AGE AND SEX: 50 FEMALE	ISSUE DATE: 4/12/1991
INITIAL SPECIFIED AMOUNT: \$20,000	MINIMUM MONTHLY PREMIUM: \$29.08
DEATH BENEFIT OPTION: 1-LEVEL	PLANNED PREMIUM: \$31.00
OWNER: JEANETTE H SMITH	PAYABLE: MONTHLY

FORM NO.	BASE PLAN	SPECIFIED AMOUNT	RATE CLASS	MATURITY DATE *
L1205	FLEXIBLE PREMIUM ADJUSTABLE LIFE	\$20,000	STANDARD NON-SMOKER	4/12/2036

\*This policy will continue to the maturity date if premiums paid and interest credited are adequate to continue coverage to that date. Guaranteed Maximum Cost of Insurance rates are on policy page 2.

FORM NO.	RIDERS	ISSUE DATE	MONTHLY PREMIUM	BENEFIT AMOUNT	RATE CLASS	EXPIRY DATE
L5980	WAIVER OF MO. DEDUCTION	4/12/1991	\$2.88		STANDARD	4/12/2001
L1075	ACCIDENTAL DEATH	4/12/1991	\$0.00	\$20,000	STANDARD	4/12/2011
L5679	INFLATION PROTECTOR	4/12/1991	\$0.00		STANDARD	4/12/2011

(MONTHLY RIDER COSTS VARY BY ATTAINED AGE--SEE RIDER. THE RATES QUOTED ARE FOR THE FIRST POLICY YEAR.)

**EXPENSE AND SURRENDER CHARGE SUMMARY**

PERCENT OF PREMIUM CHARGE: 7.50%

MONTHLY POLICY FEE: \$5.00

For your policy at issue: Surrender Charges in policy year

1 =	\$471.60,	2 =	\$471.60,	3 =	\$471.60,	4 =	\$424.44
5 =	\$377.28,	6 =	\$330.12,	7 =	\$282.96,	8 =	\$235.80
9 =	\$188.64,	10 =	\$141.48,	11 =	\$94.32,	12 =	\$47.16

Additional Surrender Charges for any increase in Specified Amount will be applied according to a table based on the attained age of the insured on the issue date of the increase.

Guaranteed loan interest rate: 7% per year in advance

Beneficiary: As named in the application, unless changed as provided herein

— SEE NEXT PAGE FOR ADDITIONAL INFORMATION —

# **POLICY SPECIFICATIONS** (CONTINUED)

Illustration of Guaranteed Minimum Benefits and Values, based on Planned Benefits and Premiums set forth on page 3.

AGE	END OF POLICY YEAR	MINIMUM DEATH BENEFIT	MINIMUM CASH VALUE	MINIMUM PAID-UP TERM PERIOD	
50	1	\$20,000	\$0	0 YEARS,	0 MONTHS
51	2	\$20,000	\$0	0 YEARS,	0 MONTHS
52	3	\$20,000	\$61	0 YEARS,	3 MONTHS
53	4	\$20,000	\$277	1 YEARS,	3 MONTHS
54	5	\$20,000	\$487	2 YEARS,	0 MONTHS
55	6	\$20,000	\$688	2 YEARS,	7 MONTHS
56	7	\$20,000	\$878	3 YEARS,	1 MONTHS
57	8	\$20,000	\$1,054	3 YEARS,	7 MONTHS
58	9	\$20,000	\$1,214	4 YEARS,	0 MONTHS
59	10	\$20,000	\$1,354	4 YEARS,	3 MONTHS
60	11	\$20,000	\$1,523	4 YEARS,	4 MONTHS
61	12	\$20,000	\$1,673	4 YEARS,	5 MONTHS
62	13	\$20,000	\$1,801	4 YEARS,	4 MONTHS
63	14	\$20,000	\$1,856	4 YEARS,	2 MONTHS
64	15	\$20,000	\$1,878	3 YEARS,	10 MONTHS
65	16	\$20,000	\$1,863	3 YEARS,	6 MONTHS
66	17	\$20,000	\$1,805	3 YEARS,	2 MONTHS
67	18	\$20,000	\$1,696	2 YEARS,	9 MONTHS
68	19	\$20,000	\$1,528	2 YEARS,	3 MONTHS
69	20	\$20,000	\$1,293	1 YEARS,	9 MONTHS

**Basis of calculations** — Guaranteed Monthly Cost of Insurance rates are based on the 1980 Commissioners Standard Ordinary Mortality Table, age nearest birthday. The guaranteed interest rate is 4.5% per annum. All policy values are at least equivalent to those required by law in the state in which this policy is delivered.

Only under the most adverse economic conditions would interest drop to the guaranteed rate. Never could it go below 4.5%.



PART I - 1. Full Name (Print) JEANETTE SMITH  
 (If married woman show maiden name in parentheses)  
 Single ☐ Married ☒ Widowed ☐ Divorced ☐ Separated ☐  
 Mailing Address: 3451 East ST.  
 City Montgomery State AL Zip Code 36110  
 Birthplace? Birthdate? Ins. Height? Wt.?  
 State AL Mo. 10 Day 11 Yr. 41 Age? 49 Sex? F Ft. 5 In. 9 Lbs. 170  
 Employer? ST. of AL.  
 Occupation? IND. RE.  
 Duties?  
 4. Social Security Number: 417-56-6746  
 5. a. Any past, present, or expected aviation activities ☐ Yes ☒ No  
 b. Any past, present, or expected rodeo, skin diving, sky diving activities, or racing, testing or stunt driving of automobiles, motorcycles, motor boats, snowmobiles or airplanes? ☐ Yes ☒ No  
 (If yes to a or b above, attach completed questionnaire.)  
 6. Do you now use alcoholic beverages in any form? ☐ Yes ☒ No  
 7. Have you ever been treated for alcoholism, drug use, used drugs or alcohol to excess or been arrested for possession, sale or use? ☐ Yes ☒ No  
 8. a. Do you use tobacco in any form? ☐ Yes ☒ No  
 b. If prior use, how long since stopped?  
 9. Will this policy replace any existing insurance or annuities in force in this or any other company? ☐ Yes ☒ No

10. Insurance Applied For? Life Plan: U.L. Amount \$ 20,000  
 (If Universal Life, what Death Benefit? Option 1 ☒ or Option 2 ☐  
 Term Rider: Amount \$  
 Annuity Plan: Amount \$  
 Disability Income Plan: Amount \$  
 Earned Income: \$ (For Disability Income Plans Only)  
 Automatic Premium Loan (Not UL or Term) ☐ Yes ☒ No  
 Additional Benefits: YES NO YES NO  
 Cost of Living (UL Only) ☒ Family Plan (Not UL) ☐  
 Waiver of Premium/Deduction ☒ Children's Term ☐  
 Accidental Death Benefit ☒ Guaranteed Insurability ☐  
 ADB Amount? Juvenile Payor Benefit ☐  
 Other Requests?  
 11. Premium quoted? \$ 31.00 Amt Pd.? \$ 31.00  
 ANN ☐ S-A ☐ QTR ☐ PAC ☒ Other ☐ Receipt Issued ☒  
 12. Beneficiaries? Please print full names Relationship Age  
 First James A. Smith Husband 50  
 Contingent JAN M. GRANDALSKI Daughter 25  
JAN L. CAMPBELL Daughter 22  
 a. Contingent/Beneficiaries share and share alike. Yes ☒ No ☐  
 survivors or survivor? Yes ☒ No ☐  
 b. Include future children of present marriage Yes ☐ No ☒  
 13. Present life and disability insurance Life Acci. Death Mo. Income  
 Co. and Issue Year Met. J.W.L. \$10,000 \$

NON-MEDICAL LIMITS—(Include face amount of any riders and business in force with Preferred Risk) 15 days to 35 years—\$150,000; 36 to 40 years—\$100,000; 41 to 45 years—\$50,000; 46 to 50 years—\$25,000; 51 up needs physical. Is Physical Arranged Yes ☒ No ☐

PART II Has proposed insured:  
 1. Had medical, surgical or other treatment or advice in past 5 years? ☐ YES ☒ NO  
 2. Ever had an operation or blood transfusion; or has operation, restricted diet, use of heart, blood pressure or diabetes medication been advised? ☒ YES ☐ NO  
 3. Ever had, been diagnosed as having, or does proposed insured now have:  
 a. Disease or disorder of  
 1) Lungs, bronchi; tuberculosis; exposure to tuberculosis; asthma? ☐ YES ☒ NO  
 2) Heart, blood, blood vessels; high or low blood pressure, murmur? ☐ YES ☒ NO  
 3) Esophagus, stomach, intestines, liver, gall bladder, rupture? ☐ YES ☒ NO  
 4) Brain, nervous system; paralysis; convulsions; mental disorder? ☐ YES ☒ NO  
 5) Back; muscles, bones, joints, limbs; rheumatism; arthritis? ☐ YES ☒ NO  
 6) Kidneys, ureters, bladder, reproductive organs? ☐ YES ☒ NO  
 7) Throat, lungs, bronchial tubes, spitting of blood, frequent or persistent cough? ☐ YES ☒ NO  
 b. If proposed insured is a woman—1) Complications of pregnancy? ☐ YES ☒ NO  
 2) Is proposed insured pregnant? ☐ YES ☒ NO  
 c. Cancer; a growth; diabetes; impaired sight, hearing; syphilis? ☒ YES ☐ NO  
 d. Acquired Immune Deficiency Syndrome, any immune disorder, or related condition? ☐ YES ☒ NO  
 e. Are you currently taking any prescription medication? (If yes give details) ☐ YES ☒ NO  
 f. Any other impairment, sickness, injury in past 5 years? ☐ YES ☒ NO  
 4. A history in parents, brothers or sisters of:  
 a. Mental illness, cancer, coronary disease, diabetes, a stroke? ☐ YES ☒ NO  
 b. Death before age 60? (Relationship? Age? Cause of death?) ☐ YES ☒ NO  
 5. Ever received sickness or injury benefits, compensation, pension? ☐ YES ☒ NO  
 6. Ever had insurance refused, postponed, rated or limited? ☐ YES ☒ NO

YES, GIVE FULL DETAILS—AILMENTS; DATES; PHYSICIAN'S NAMES, ADDRESSES; OTHER COMPANIES, ETC.  
 2. - Malignant Pol. - Removed From Colon 10/1984  
 - Baptist Hos. S. BLVD MTR, AL.  
 - DR. DAVID DUNN Baptist Towers MTR, AL.  
 1979 - Hysteroomy - DR. DAVID DUNN  
 3. - Impaired Sight - PREMANENT - HORMONE .625 MG 25.00 charge  
 7. Usual physician DR. DAVID DUNN  
2055 East South Blvd  
 Address Baptist Towers Phone 238-3315  
MTR AL.

PREFERRED RISK  
 APR 02 1991  
 LIFE INSURANCE

IT IS AGREED: 1) All statements in this application, which includes pages 2 and 3 if applicable, are, so far as I (we) know and believe, complete and true; 2) the Company is not bound by any statement not written in this application; 3) no agent can accept risks, modify policies, or waive any rights or requirements of the Company; 4) unless otherwise provided in a conditional receipt bearing the date of this application, no liability exists until a policy is accepted and the premium paid while, to the best knowledge and belief of the applicant; A) the health and occupations of all persons proposed for health coverage are as described in this application; or B) all persons proposed for coverage under a life policy are still living and in good health.

I hereby authorize any licensed physician, medical practitioner, hospital, clinic or other medical related facility, insurance company, the Medical Information Bureau or other organization, institution or person, that has any records or knowledge of me or my health, to give to the Preferred Risk Life Insurance Company, or its reinsurers, any such information. A photographic copy of this authorization shall be valid as the original. I acknowledge receipt of the Notice To Applicant—parts one and two.

Jeanette H. Smith Applicant (owner unless otherwise specified)  
Montgomery, AL  
 Proposed Insured (if other than Applicant)  
James A. Smith  
Montgomery, AL  
 Spouse (if Family Plan or Joint Life)  
James A. Smith  
 Proposed Payor (if other than Owner)  
James A. Smith  
 Submitter Agent Code  
 Date Signed 3/26/91  
 No 219433 - Q

Use Black Ink

DL 1877736 ae

APR 09 '91 N.H.

Do Not Use Dashes,  
Ditto or Check Marks

## PART II OF APPLICATION FOR INSURANCE IN THE PREFERRED RISK LIFE INSURANCE COMPANY

1. Full First Name	Initial	Last Name	Date of Birth			Place of Birth	Occupation
Jeanette	H	Smith	Month 10	Day 11	Year 91	ae	auditor
2a. Do you now use alcoholic beverages in any form? If "Yes", state kind, and daily, weekly or monthly amount.			YES NO			5. Have you ever been rejected, deferred or discharged by the Armed Forces because of physical or mental condition? YES NO	
b. Have you ever been an habitual user of any habit-forming drug, or received treatment for alcoholism or drug habit?			YES NO			6. Has your application for life, health or accident insurance ever been rejected, rated up, restricted, postponed or withdrawn? If "Yes", give reason and date.	
3. Have you ever been on a restricted diet or received insulin?			YES NO			7a. Have your parents or any of your brothers or sisters ever had insanity or diabetes?	
4a. Have you gained/lost any weight in past year? lbs. gained 20 lbs. lost Cause lack of exercise			YES NO			b. Has any person in your immediate household had tuberculosis within the past 5 years?	
b. How long has present weight been maintained? 1 yr			YES NO				

Details of questions 2-7 answered "Yes" above.

9. Have you ever had or been told you had:	YES NO	Give name of disease or symptoms, number of attacks, dates, duration, severity and results, and attending physicians' names and addresses.
a. High blood pressure, pain or pressure in the chest, shortness of breath or palpitation, angina pectoris, heart murmur, coronary, rheumatic fever, or other disease of the heart?	X	9f. 1984 Hospitalized 2 weeks due to malign polyp of colon. Normal recovery, no further problems. Has annual recheck
b. Stroke, paralysis, epilepsy, insanity, dizziness, convulsions, nervous prostration, severe headaches or any disease of the brain or nervous system?	X	Dr. David Burns Baptist medical
c. Pleurisy, asthma, tuberculosis, spitting of blood, chronic cough, or any disease of the throat, lungs or blood vessels?	X	Baptist medical Tower 2105 E.S. Blvd. Montgomery, AL
d. Chronic indigestion, gastric or duodenal ulcer, diabetes, jaundice, chronic diarrhea, gallstones, or any disease of the liver?	X	10b. Has yearly barium enema, colonoscopy, routine blood tests, B/P, u/A, all results normal. See dr. 9f above
e. Kidney stones, syphilis, or any disease of the kidneys, bladder or prostate, or albumin or sugar in the urine?	X	14f. 1979 Hospitalized 2 days due to hysterectomy due to endometriosis. No further problems
f. Enlarged glands, goiter, cancer or any tumor, gout, rheumatism, any disease of the skin, bones or joints; any defect of hearing or eyesight?	X	See dr. 9f above. Hemorrhoid hospital Taylor Rd Montgomery, AL
g. Acquired Immune Deficiency Syndrome, any immune disorder, or related condition?	X	
10a. Have you ever been in any hospital or sanitarium for rest, treatment, observation, diagnosis, or surgery?	X	
b. Within the past five years have you undergone any special examinations or laboratory tests, such as X-rays, electrocardiograms, blood or urine tests?	X	

11a. Have you consulted or been examined by any other physicians or practitioners within the last 5 years? Yes or No

NAME AND ADDRESS	REASON FOR CONSULTATION, EXAMINATION OR TREATMENT	DATE, DURATION AND RESULT
Dr. James McLaughlin	Cold symptoms for about 6 weeks, took antibiotics for 1 week -	Oct 1990 & Oct 1989
127 Pine Montgomery, AL	10 days of discomfort, no further problems	

11b. Name of regular personal physician: See 9f. Address: See 9f. above.

12. Have you had any illness or injury not mentioned above? If "None", so state. NO

13. Family Record	Age if Living	State of Health	Age at Death	Cause of Death	14. To be completed if proposed insured is a woman.
Father	69	poor			a. Full Maiden Name? Iris Jeanette Holladay
Mother	69	good			b. No. and character of labors? 2 full term
Brothers	44	good			c. Date of last labor? Feb 1969
No. Living	2				d. Are you now pregnant? NO No. of months?
No. Dead	0				e. Have you passed the change of life? In process
Sisters					f. Have you ever had any uterine, ovarian or breast disease, menstrual disorder, abortion or miscarriage? See above
No. Living	0				
No. Dead	0				

I state that I am the person named as the proposed insured or the applicant in juvenile cases, and I declare and agree that the foregoing statements and answers and those contained in Part I of this application, each of which I have made and read, are complete, true and correctly recorded to the best of my knowledge and belief, and shall form the basis for and shall be a part of this contract of insurance. I hereby authorize any licensed physician, medical practitioner, hospital, or other medically related facility, insurance company or other organization, institution or person, that has any information of me or my health, to give to Preferred Risk Life Insurance Company any such information. A photographic copy of this authorization shall be as valid as the original.

Dated at Montgomery, AL this 2nd day of April, 1991

Witnessed by Gary P. Hefield, L.A. no.

APPLICANT (for Child Policy)

or

Jenette H. Smith PROPOSED INSURED

**PREFERRED RISK LIFE INSURANCE COMPANY****WAIVER OF MONTHLY DEDUCTIONS RIDER****TOTAL DISABILITY BEFORE AGE 60**

**Benefit** — We will provide a waiver benefit for Total Disability of the Insured which:

(1) starts while this rider is in force and before the policy anniversary nearest the Insured's 60th birthday; and

(2) is continuous for at least 6 months.

The benefit will be a waiver of all Monthly Deductions, which become due while Total Disability continues, exclusive of 1) any premiums required for accidental death benefits, and 2) premiums for any increase in Specified Amount elected under any Guaranteed Insurability Rider during Total Disability. The benefit will be retroactive to the start of such disability. However, if notice and proof are not given within the times required by this rider, no Monthly Deduction due more than 12 months before the notice is received by us will be waived.

**Total Disability** — Total Disability means an inability due to sickness or injury to perform the duties of any occupation or any work for remuneration or profit. Occupation means any occupation for which the Insured is reasonably suited by education, training or experience. Due regard to prior vocation and earnings will be given.

The entire and permanent loss of the sight of an eye, or of the use of a hand or foot is a specified loss. Any two specified losses which occur while this rider is in force will be considered Total Disability.

**Notice and Proof** — Written notice and proof of disability will be required. Notice must be given to us while the Insured is alive and totally disabled. Proof must be given to us within 12 months after the notice is given. However, if notice or proof could not reasonably have been given within such times, they will be considered on time if given as soon thereafter as is reasonably possible.

After a claim is approved, we may require proof of continued total disability at reasonable intervals. After two years on waiver, proof will not be required more often than once a year. As part of the proof, we may at our own expense require that doctors of our own choice examine the person of the Insured. If the required proof is not given or if the Insured recovers, no further deductions will be waived.

**Effect on Policy** — Waiver of a Monthly Deduction will result in an increasing Cash Value because Monthly Deductions are not being made. All other

rights and benefits in your policy will be based on the larger Cash Value and be provided as if the Monthly Deduction were not required. However, certain provisions of your policy will be limited as follows:

1. The Specified Amount may not be changed during the Insured's Total Disability. This limitation will not apply to any right contained in any Guaranteed Insurability Rider, or any other similar rider which is part of this policy.
2. The Death Benefit Option may not be changed during the Insured's Total Disability.

**War Service** — This rider does not cover disability which results from military (land, sea or air) service by the Insured in time of war, declared or undeclared.

**Monthly Rider Cost** — The monthly rider cost will be (a) multiplied by (b) where:

- (a) is the Monthly Deduction for your policy and riders excluding the cost of this benefit rider and any Accidental Death Benefit rider; and
- (b) is the monthly rider rate, as determined from the table below. The monthly rider rate for each policy year is based on the age of the Insured on the birthday nearest the first day of that policy year.

The Monthly Deduction for this policy will be increased by the cost for this rider.

MONTHLY RIDER RATE					
AGE	RATE	AGE	RATE	AGE	RATE
20-27	\$.04	49	\$.10	55	\$.16
28-34	.05	50	.11	56	.17
35-42	.06	51	.12	57	.18
43-46	.07	52	.13	58	.19
47	.08	53	.14	59	.20
48	.09	54	.15		

**Reinstatement** — If the Insured is totally disabled on the date the policy lapses because of insufficient value, we will reinstate the policy if:

1. the request to reinstate is made within 12 months after the date of lapse;
2. the requirements of the notice and proof section of this rider are met;
3. the waiver of Monthly Deductions would otherwise have been granted.

Except as so modified, the reinstatement section of your policy applies to this rider.



**Incontestability** — We will not contest this rider after it has been in force for 2 years from its Issue Date with no Total Disability having occurred.

**Termination** — This rider will end on the first to occur of

(a) the policy anniversary nearest the Insured's 60th birthday;

(b) the date your policy terminates;

(c) the Monthly Deduction date next following our receipt of your written request to terminate this rider.

Termination of this rider due to age will not prejudice a claim for Total Disability which exists at that time.

This rider is part of the policy to which it is attached.

PREFERRED RISK LIFE INSURANCE COMPANY

A handwritten signature in cursive script, appearing to read "J. Anderson".

President



## PREFERRED RISK LIFE INSURANCE COMPANY

INFLATION PROTECTOR  
COST OF LIVING INCREASE RIDER

**Increase Benefit** — At the option of the owner of the policy to which this rider is attached, the Specified Amount on the life of the Insured may be increased every second policy anniversary. Such increase will be based on an increase in the Consumer Price Index for All Urban Consumers (CPI).

**Increase Requirements** — The cost of living increases are subject to the following rules:

- (a) If each increase is taken, no evidence of insurability will be required notwithstanding the Changes in Insurance Coverage section of your policy. However, if the immediately preceding option was not exercised, then we may request evidence of insurability.
- (b) The increase will take place every second policy anniversary after the Issue Date of this rider. Such anniversary will be the effective date of the increase.
- (c) The Increase Amount will be the smaller of:
  - (1) The increase we compute from the Basis of Increase provision;
  - (2) 15% of the Specified Amount on the policy anniversary 2 years prior; or
  - (3) \$20,000;
 but not less than \$2,000.
- (d) The total amount of all increases under this rider will be the smaller of:
  - (1) four times the Specified Amount on the Issue Date of this rider; or
  - (2) \$200,000.
- (e) The Cost of Insurance rate for the increase will be based on attained age of the Insured. The rate class for the increase will be the rate class of the most recent prior increase after issue of this rider, other than increase under a Guaranteed Insurability Option rider. If there are no increases subsequent to the issue of this rider, the rate class shall be that shown on page 3 for this rider.
- (f) We will send the Owner a supplement to page 3 showing the Specified Amount increase.
  - (a) the Specified Amount on the policy anniversary 2 years prior; multiplied by
  - (b) the CPI factor.

The CPI factor will be the ratio to (b) of the excess of (a) over (b) where:

- (a) is the CPI 6 months prior to the effective date of the increase;
- (b) is the CPI 30 months prior to the effective date of the increase.

We may substitute an appropriate index for the CPI if:

- (a) its publication is not then available; or
- (b) the United States government has adopted another index generally accepted as a better measure of cost of living, subject to prior approval by the Alabama Insurance Commissioner.

**Rejection of Increase** — We will mail you a supplement to page 3 for any increase. You may reject the cost of living increase by notice to us and return of the supplement to page 3 within 30 days of its Issue Date.

**Reinstatement** — If this rider terminates by a, c or d under Termination below, you may reinstate it by providing us proof of good health and insurability. If this rider terminates under c below you must also comply with the requirements of the policy for reinstatement.

**Termination** — This rider will end on the first to occur of:

- (a) the date the Specified Amount of the policy is decreased;
- (b) the later of:
  - (1) the policy anniversary following your 65th birthday, or
  - (2) the 20th policy anniversary;
- (c) the date the policy terminates;
- (d) the Monthly Deduction date next following our receipt of your written request to terminate this rider.

This rider is part of the policy to which it is attached. This rider does not develop any cash value.

**Basis of Increase** — The Consumer Price Index For All Urban Consumers, U.S. City Average, All Items (CPI), as published by the United States Department of Labor, is the basis of this increase. The Increase Amount is determined as follows:

PREFERRED RISK LIFE INSURANCE COMPANY



President

## PREFERRED RISK LIFE INSURANCE COMPANY

## ACCIDENTAL DEATH BENEFIT RIDER

**Benefit** — We will pay the Beneficiary, subject to the terms of this policy, the Benefit Amount shown on page 3 for this rider, upon receipt at our Executive Office of due proof that:

- (1) death of the Insured occurred while this policy and rider were in force and before the policy anniversary nearest the Insured's 70th birthday; and
- (2) such death was the direct result, independent of all other causes, of bodily injury caused by an accident which occurred while this rider was in force; and
- (3) such death occurred within 90 days after such injury.

A change in the Benefit Amount for this rider may be requested. For an increase, evidence of insurability must be submitted. The effective date of the change, if approved, will be the Issue Date shown on a supplement to page 3 which we will send you. A change in the Specified Amount will not automatically change the Benefit Amount of this rider.

**Risks Not Covered** — This rider does not cover death which is the direct or indirect result of:

- (a) suicide while sane or self-destruction while insane;
- (b) bodily or mental infirmity, or any other kind of illness or disease;
- (c) participating or engaging in riot;
- (d) participation in insurrection, war (declared or not) or any event incident to war;
- (e) operating, or riding in, or descending from, any kind of aircraft, if:
  - (i) the Insured is a pilot, an officer or member of the crew of the aircraft; or
  - (ii) the Insured is giving or receiving any kind of training or instruction, or has any duties on board the aircraft, or duties that require descent therefrom;
- (f) committing or attempting to commit an assault or felony;

(g) the voluntary taking of poisons, drugs, medication or sedatives (unless taken as prescribed by a physician);

(h) the voluntary inhalation of vapor or gas of any kind, including carbon monoxide.

This rider also does not cover death which occurs outside of the following countries or areas while the Insured is in military service for any country at war:

- (a) the United States
- (b) Canada
- (c) Virgin Islands
- (d) Territory of Puerto Rico
- (e) Republic of Panama

**Autopsy** — We shall have the right, if not prohibited by law, to conduct an autopsy at our own expense.

**Monthly Rider Cost** — The monthly rider cost will be the number of thousands of Benefit Amount for this rider multiplied by \$.09.

The Monthly Deduction for this policy will be increased by the monthly rider cost.

**Termination** — This rider will end upon the first to occur of:

- (a) the policy anniversary nearest the Insured's 70th birthday;
- (b) the date the policy terminates;
- (c) the allowing of benefits under any Waiver of Monthly Deductions rider attached to this policy; or
- (d) the Monthly Deduction date next following our receipt of your written request to terminate this rider.

This rider is part of the policy to which it is attached. This rider does not develop any cash value.

PREFERRED RISK LIFE INSURANCE COMPANY



President



## ENDORSEMENTS

### STATEMENT OF COMPLIANCE WITH FEDERAL LAWS ON FLEXIBLE PREMIUM POLICIES

This endorsement is a part of the contract to which it is attached and is effective on the Policy Date of the contract.

Under the Tax Reform Act of 1984 two requirements must be met in order for your Flexible Premium Adjustable Life policy to maintain its status as life insurance under the Internal Revenue Code.

First, the amount of premiums that you may pay is limited. We will conduct a test no less often than annually and, for any year, refund the excess premiums.

Second, the Death Benefit payable may not be less than a certain percentage of your Cash Value. This percentage is based on the Insured's attained age and is 250% up to age 40 then decreases 7% yearly to age 45, then 6% yearly to age 50, then 7% yearly to age 55, then 4% yearly to age 60, then 2% yearly to age 65, then 1% yearly to age 70, then 2% yearly to age 75 with no further decrease until age 90, then 1% yearly to age 95. We will conduct a test no less often than annually and increase the Death Benefit subject to our then current underwriting limits and rules to be equal to the applicable percentage of your Cash Value, if necessary. The Death Benefit will remain at that level unless it has to be increased again or unless you ask us to change it. If we cannot increase the Death Benefit due to underwriting limits and rules, we will return the amount of Cash Value necessary so that the Death Benefit will be equal to the applicable percentage of your Cash Value after returning the amount.

We will perform any necessary action within 60 days of the end of the policy year in which the requirement has not been met.

We reserve the right to amend the contract to which this endorsement is attached to comply with:

1. Future changes in the Internal Revenue Code;
2. Any regulations or rulings issued under the Code; and
3. Any other requirements imposed by the Internal Revenue Service.

We will give you a copy of any such endorsement.

L5981(1284)

### PROVISION FOR ADDITIONAL INTEREST AFTER 3 YEARS

The interest rate credited to this policy after the third policy anniversary shall be 1/2% more than the current rate then declared for this policy. The declared rate applies for the first three policy years. All other provisions in the policy relating to excess interest shall remain unchanged.

This endorsement applies to the Flexible Premium Adjustable Life Policy to which it is attached.

L-1804 (288)

### PROVISION FOR PREMIUM PAYMENT BY PREAUTHORIZED CHECK

In accordance with the Insured's request that premiums on the policy to which this is attached be collected on the Company's Preauthorized Check Plan, the method of payment of premiums on this policy and on any Supplementary Contract attached thereto is hereby changed and such premiums hereafter becoming due during the period that they are paid by check pursuant to the Preauthorized Check Plan and prior to any change in the premium in accordance with the policy provisions, shall be payable monthly at a reduced rate.

Payment of premiums under the Preauthorized Check Plan may be terminated by the owner or the Company by 30 days written notice. The Company may terminate the Plan immediately if any check is not paid upon presentation. If the Plan is terminated, premiums will thereafter be payable in accordance with the terms of the policy without regard to this Endorsement.

L-5035 (878)

PREFERRED RISK LIFE INSURANCE COMPANY

A handwritten signature in cursive script, appearing to read "J. Edulson".

President





PREFERRED RISK LIFE INSURANCE COMPANY

## OWNER AND BENEFICIARY

**Owner** — During the lifetime of the Insured all rights granted by the policy or allowed by us belong to the Owner. If you are not the Insured and die before the Insured, the Insured becomes the Owner unless you have provided for a successor Owner.

**Beneficiary** — Unless this policy states otherwise, the rights of any Beneficiary who dies before the Insured belong to the Owner if living, otherwise to your estate.

**Changes in Owner and Beneficiary** — Unless this policy states otherwise, the Owner and the Beneficiary, or either of them, may be changed. This may be done as often as desired during the lifetime of the Insured and before the Maturity Date. A signed request must be sent to us. When we give our written acceptance, the change will take effect as of the date the request was signed. The change will be subject to any action which we take before the written acceptance.

**Assignment** — No assignment will bind us until it or a copy of it is received at our Executive Office. When it is received, the rights of the Owner and the Beneficiary will from then on be subject to the assignment. We are not obliged to see that the assignment is valid.

## PROCEEDS PAYABLE

**Proceeds Defined** — Proceeds mean the amount payable on the death of the Insured, on the Maturity Date, or on surrender of this policy.

**Death** — The Proceeds Payable on Death mean — the Death Benefit minus any loan balance outstanding on the date of death, plus interest as prescribed by law, if any, from the date of death to date of payment;

or

**Maturity** — The Proceeds Payable on Maturity means the Net Fund Value on the Maturity Date. The Net Fund Value will be the Value on the Maturity Date minus any loan balance outstanding on that date;

or

**Surrender** — The Proceeds Payable on Surrender of this policy will be the Cash Value.

**Adjustments To Proceeds** — All proceeds are subject to adjustments under the Age and Sex,

Incontestability, Suicide and Grace Period provisions.

## DEATH BENEFIT OPTIONS

**Options** — The Death Benefit used in determining the Proceeds Payable on Death will be as provided under one of the Death Benefit Options. The Death Benefit Option for this policy as of the Issue Date is shown on page 3.

**Option 1** — The Specified Amount includes the Fund Value. Under this option, the Death Benefit will be the greater of (a) the Specified Amount on the date of death, and (b) a percentage of the Fund Value on the date of death, as determined in the current endorsement entitled, "Statement of Compliance with Federal Laws on Flexible Premium Policies." Unless (b) applies, payment of a premium under this option will not increase the Death Benefit.

**Option 2** — The Specified Amount is in addition to the Fund Value. Under this option, the Death Benefit will be the greater of (a) the Specified Amount plus the Fund Value on the date of death, and (b) a percentage of the Fund Value on the date of death, as determined in the endorsement entitled, "Statement of Compliance with Federal Laws on Flexible Premium Policies."

## PREMIUMS AND REINSTATEMENT

**Premiums** — Premium due dates, policy anniversaries, policy years and policy months are measured from the Policy Date. No benefit will be provided on the basis of a premium until that premium is paid. Premiums are payable until the Maturity Date.

Premiums may be paid to us or an authorized representative. A receipt signed by an officer of Preferred Risk Life will be given upon request.

**Planned Premiums** — Premium reminder notices for planned premiums will be sent at frequencies of 3, 6 or 12 months. The amount and frequency of planned premiums as of the Policy Date are shown on page 3. The frequency and amount of planned premiums may be changed at any time after the first policy year.

**Additional Premiums** — Additional premiums may be paid at any time while the policy is in force and before the Maturity Date. We will have the right to limit the amount and number of additional premiums, as well as the right to limit any increase in planned premiums, subject to these rules:

1. Additional premiums may be paid only when there is no outstanding loan balance.

2. Limits on planned or additional premiums may be applied to the extent necessary to preserve the favorable income tax status of this policy. A current endorsement containing any such further limits will be sent to the Owner whenever there is any change in these limits.
3. Evidence of insurability satisfactory to us may be required. This will happen only if payment of the additional premium or the new planned premium would, during the current policy year, increase the difference between the Death Benefit and the Fund Value.

**Premium Limit Due to Loans** — The premium limit due to loans during each policy year will be the sum of the Minimum Monthly Premiums for each of the 12 months of that year. If there is an outstanding loan balance, the sum of all payments to us during each policy year in excess of the premium limit due to loans will be considered as loan balance repayments and not as premiums.

All payments to us during a policy year will be counted in determining when the limit is reached, whether or not there is an outstanding loan balance at the time of payment. The Minimum Monthly Premium on the Issue Date is shown on page 3.

**Policy Date** — The Policy Date will be the effective date for the coverage provided in the original application.

**Issue Date** — For any increase, addition to coverage, or reinstatement, the Issue Date will be the Monthly Deduction day on or next following the date of our approval.

**Grace Period** — If the Cash Value is insufficient to allow a Monthly Deduction on the Monthly Deduction day, we will allow 61 days of grace to pay a premium that will cover the deduction.

During the days of grace the policy will stay in force. If the Insured dies during the days of grace, we will deduct the overdue Monthly Deduction(s) from the proceeds. If the premium is not paid within 61 days after the Monthly Deduction day, the policy will terminate without value at the end of the grace period. Written notice will be sent to the Owner not less than 31 days before termination. However, termination will not occur if the policy is being continued under the Minimum Monthly Premium provision.

**Minimum Monthly Premium** — This policy will not terminate within a three year period following the most recent Issue Date if on each Monthly Deduction day

within that period the sum of premiums paid within that period equals or exceeds the difference between (a) and (b) where:

- (a) is the sum of the Minimum Monthly Premiums, shown on page 3, for each policy month from the start of that period, including the current month; and
- (b) is any withdrawals plus any increase in the loan balance since the start of that period.

**Reinstatement** — If this policy terminates as provided under Grace Period, it may be restored to full force within 5 years after the date of termination and before the Maturity Date. Evidence of insurability satisfactory to us must be submitted. A premium sufficient to keep the policy in force for the current and next policy month must be paid. The Fund Value of this policy upon reinstatement will be that provided by the premium then paid.

#### POLICY VALUES

**Fund Value** — The Fund Value on the Policy Date will be the net premium received as of the Policy Date less the Monthly Deduction for the first month.

The Fund Value after the Policy Date and before the Maturity Date will be (a) minus (b), where

(a) is the sum of

- (1) the Fund Value on the last previous Monthly Deduction day with interest to date, and
- (2) net premiums paid since the last previous Monthly Deduction day with interest to date; and

(b) is the sum of

- (1) any partial withdrawals since the last previous Monthly Deduction day with interest to date, and
- (2) the Monthly Deduction for the month which is then starting if the date of calculation is a Monthly Deduction day.

**Net Premium** — The net premium is any premium paid less the percent of premium expense charge shown on page 3.

**Interest Rate** — We will credit interest on the Fund Value at not less than the guaranteed rate. The guaranteed rate is 0.36748% per month, compounded monthly. This is equivalent to 4.5% per year.



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We may credit interest at a rate in excess of the guaranteed rate.

Excess interest will not be credited to any portion of the Fund Value which is used to secure a loan balance.

**Monthly Deduction** — The Monthly Deduction includes:

- (1) the Cost of Insurance,
- (2) The monthly rider cost, and
- (3) the monthly policy fee of (a) for a policy of less than \$50,000 Specified Amount \$5 if premiums are paid annually, \$6 if paid semi-annually or \$7 if paid quarterly or monthly by pre-authorized check; (b) for a policy of \$50,000 or more Specified Amount \$4 if premiums are paid annually, \$5 if semiannually, or \$6 if paid quarterly or by monthly pre-authorized check.

The first Monthly Deduction day is the Policy Date. Monthly Deduction days occur each month thereafter on the same day of the month as the Policy Date.

**Cost of Insurance** — This cost is calculated for each month. The cost is determined separately for the Specified Amount on the Policy Date and each increase thereafter.

The Cost of Insurance on any Monthly Deduction is equal to the monthly cost of insurance rate times the difference between (1) and (2), where:

- (1) is the Death Benefit on that date divided by 1.0036748, and
- (2) is the Fund Value on that date before the Cost of Insurance and the monthly charge for any Waiver of Monthly Deductions rider are deducted.

Until the Fund Value exceeds the Specified Amount on the Policy Date, the Fund Value is part of the Specified Amount on the Policy Date for the purposes of Cost of Insurance calculation. Once the Fund Value exceeds that amount, the excess will be part of the increases in the order of any increases.

**Cost of Insurance Rates** — These rates for each policy year are based on the Insured's attained age and rate class. Attained age means age on the birthday nearest the first day of the policy year in which the Monthly Deduction day occurs. A rate class will be determined for the Specified Amount on the Policy Date and each increase.

Cost of insurance rates may be adjusted by us for projected changes in mortality but no more often than once per calendar year, and in any case can never exceed the maximum monthly cost of insurance rates, for the appropriate rate class. Maximum monthly cost of insurance rates for the standard rate class are shown on page 2.

#### NON-FORFEITURE PROVISIONS

**Continuation of Coverage** — If planned premiums are not paid, coverage under this policy will continue to the Maturity Date as long as the Cash Value is sufficient to cover each Monthly Deduction. If the Cash Value is not sufficient to cover a Monthly Deduction, the Grace Period provision will apply.

This provision will not continue coverage beyond the Maturity Date. Nor will it continue any rider beyond the termination date stated in the rider.

**Cash Value** — This policy may be surrendered for its Cash Value at any time while the Insured is alive and before the Maturity Date. Partial withdrawals will also be allowed. In either case, we may defer payment for up to 6 months, except payment used to pay premiums due us.

The Cash Value will be equal to (a) minus (b) where

(a) is the Fund Value on the date of surrender;

(b) is the sum of

- (1) the Surrender Charge
- (2) any outstanding loan balance.

However, if surrender occurs during the first 31 days of a policy year, the Cash Value will not be less than it was on the first day of that year, less any subsequent loans and partial withdrawals. At no time will the Cash Value be less than zero.

**Surrender Charge** — The Surrender Charge is a charge made against the Fund Value. The amount of the charge is determined from the table of Surrender Charges shown on page 3 of this policy.

If an increase in the Specified Amount is requested and approved, additional Surrender Charges will apply to that increase. We will provide you with a table of Surrender Charges for the increase in a supplement to page 3.

Any decrease in the Specified Amount will not reduce the original or any additional Surrender Charge.



Upon reinstatement of this policy, no Surrender Charge will apply to coverage which was in force for 2 years prior to the date on which the policy terminated. For coverage which was not in force for such two years, future Surrender Charges will be reduced. The reduction will be in the same proportion which the Surrender Charge on the date of termination bears the Fund Value on that date.

**Partial Withdrawal** — Partial withdrawals may be made while the Insured is living and before the Maturity Date. However, no partial withdrawals may be made in the first policy year and no more than 3 partial withdrawals may be made in each subsequent year.

The maximum amount of a partial withdrawal at any time will be an amount such that the Cash Value after partial withdrawal will be sufficient to keep the policy in force to the end of the policy year using guaranteed Cost of Insurance rates, guaranteed interest rates and expense charges. The minimum amount of any partial withdrawal will be \$275. A fee of \$25 will be deducted from every partial withdrawal.

A partial withdrawal will reduce both the Fund Value and the Death Benefit. If Option 1 is in effect, the Specified Amount will be reduced by the amount of the Fund Value reduction. The reduction will reduce any past increases in the reverse order in which they occurred.

## POLICY LOANS

**Cash Loans** — We will grant loans while our policy is in force. The loan, when added to any existing loan balance, may not be more than the Loan Value when the loan is made. We may defer payment of loans, except loans to pay premiums due us, for up to 6 months.

**Loan Value** — The Loan Value will be the amount such that the non-loaned portion of the Cash Value will be sufficient to keep the policy in force to the end of the policy year, calculated using the guaranteed Cost of Insurance rates, guaranteed interest rates and expense charges.

**Interest** — Loans bear interest at the rate of 7% per year in advance. Interest accrues daily from the date of the loan and is due on the first day of each policy year. If not paid when due, the interest will be added to the loan and will itself bear interest on the same terms.

The loan balance consists of all outstanding loans including accrued interest. If the loan balance grows

to more than the Cash Value, the Grace Period provision will apply.

**Repayment** — Any loan balance may be repaid in full or in partial payments of not less than \$25 at any time before the Maturity Date while the Insured is living and the policy is in force. Any loan balance will reduce any benefit under this policy.

## CHANGES IN INSURANCE COVERAGE

The following changes may be made in this policy more than one year after its most recent Issue Date. A written request will be required. A supplement to page 3 will be sent when a change occurs.

**Increase in Amount** — For an increase in the Specified Amount, a new application must be submitted. Evidence of insurability satisfactory to us will be required. Either the Cash Value immediately after the increase must be sufficient to cover the next two Monthly Deductions, or the next two Minimum Monthly Premiums must be paid at the time of increase for it to be effective.

The Minimum Monthly Premium will be increased when the Specified Amount is increased or when a benefit rider is added or increased. A new period will begin during which the policy will not terminate if the conditions of the Minimum Monthly Premium provision are met. The new period will begin on the Issue Date of the increase. It will continue through the current policy year to the end of the succeeding policy year.

**Decrease in Amount** — For a decrease in the Specified Amount, the Issue Date will be the Monthly Deduction day on or next following the date on which the request is received. The decrease will be applied first to any past increases in the reverse order in which they occurred. The minimum Specified Amount allowed after a decrease shall be our published minimum for this type of policy at the time of request.

**Change in Death Benefit Option** — A change from one Death Benefit Option to the other will take effect on the Monthly Deduction day on or next following the date on which the request is received.

If a change from Option 1 to Option 2 is made, the Specified Amount will be reduced to equal the Death Benefit less the Fund Value at the time of change.

If a change from Option 2 to Option 1 is made, the Specified Amount will be increased to equal the Death Benefit at the time of change. No evidence of insurability will be required.



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**Exchange** — This policy may be exchanged for a new policy on any plan of insurance, except term insurance, which we issue then. Written notice at least 31 days in advance of the exchange will be required.

The amount of the new policy may not exceed (a) minus (b) where:

- (a) is the Insured's current Death Benefit under this policy plus the Fund Value of the new policy; and
- (b) is the Fund Value of this policy, minus any outstanding loan balance.

The new policy will take effect upon surrender of this policy.

### ANNUAL REPORT — PROJECTION OF BENEFITS

We will send a report at least once during each policy year at no cost. The report will show the Fund Value and the Cash Value on the date of the report. It will also show since the last report at least the following information:

- (a) premiums paid;
- (b) the Cost of Insurance and the cost of any riders;
- (c) interest credited;
- (d) expenses deducted;
- (e) the amount of any surrender, Surrender Charges and partial withdrawals;
- (f) a summary of loan activity.

We will provide a projection of illustrative future Death benefits and Fund Values at any time upon written request. We reserve the right to charge a fee for this service.

The illustration will be based on (1) the assumption specified in the request as to Death Benefit Option and premium payment, and (2) other assumptions made in the request or by us.

### GENERAL PROVISIONS

**The Contract** — This policy and the application are the whole contract. A copy of the application is attached to the policy at issue. Any new application

for changes approved by us will become part of the policy.

**Alterations** — Only an officer of Preferred Risk Life may agree to a change in the policy, and then only in writing. All statements made by or for the Insured are representations and not warranties. No statements will be used to void the policy or defend against a claim unless it is contained in an application.

**Payment of Benefits** — All benefits are payable at our Executive Office. We may require submission of the policy before we grant loans, make changes or pay benefits.

**Age** — If the age is misstated, the policy values will be changed to those which would have been provided for the correct age. The change will be based on the difference between the Monthly Deductions made and the correct Monthly Deductions.

**Incontestability** — We will not contest this policy after it has been in force during the lifetime of the Insured for 2 years from its Policy Date.

For coverage which takes effect on a later date as an increase or reinstatement of insurance, we will not contest such coverage after it has been in force during the lifetime of the Insured for 2 years from its Issue Date. Any contest of such later coverage will be based on the supplemental application.

These incontestability paragraphs do not apply to any Waiver of Monthly Deductions rider.

**Suicide** — If the Insured commits suicide, while sane or self-destruction while insane, within one year from the Policy Date, only a limited benefit will be paid. The limited benefit will be the premiums paid minus any outstanding loan balance and minus any partial withdrawals.

If the Insured commits suicide, while sane or self-destruction while insane, within 1 year from the Issue Date of any increase in coverage, we will pay only the Monthly Deductions for the increase.

**Protection of Proceeds** — To the extent provided by law, the proceeds of this policy are not subject to claims by a Beneficiary's creditors nor to a legal process against any Beneficiary.

**Non-Participating** — This policy is not entitled to share in our surplus or profits. No dividends will be paid.

## SETTLEMENT OPTIONS

You may elect to use one of these settlement options in your benefit instructions. If no benefit instructions are in effect at the insured's death, the beneficiary may apply unpaid proceeds under a settlement option.

You may also apply the Proceeds Payable on Maturity or on Surrender under a settlement option.

If a settlement option is elected, this policy must be exchanged for a supplementary contract effective when the policy proceeds first become payable.

**Option A. PROCEEDS LEFT AT INTEREST** — We will hold the amount applied on deposit. Interest payments will be made annually, semi-annually, quarterly or monthly, as elected.

**Option B. FIXED INCOME** — We will pay an income of a fixed amount or an income for a fixed period not exceeding 30 years. Refer to the Option B table to

determine the number of fixed amount payments or the amount of each fixed period payment. On request, we will furnish benefit information not shown in the tables.

**Option C. LIFE INCOME** — We will pay a monthly income during a person's lifetime. A minimum guaranteed period may be used, as shown in the Option C table. Payments will be in an amount we determine, but not less than shown in the table. On request, we will furnish minimum monthly income information for ages not shown in the table.

**Option D. JOINT AND SURVIVOR LIFE INCOME** — We will pay a monthly income during the lifetime of two persons, and continuing until the death of the survivor. Payments will be in an amount we determine, but not less than shown in the Option D table. On request, we will furnish minimum income information for age combinations not shown in the table.

OPTION B TABLE

Number of Years Specified	Amount of Installments				Number of Years Specified	Amount of Installments				Number of Years Specified	Amount of Installments			
	Annual	S.-A.	Quar.	Mo.		Annual	S.-A.	Quar.	Mo.		Annual	S.-A.	Quar.	Mo.
1	\$10,000.00	\$5,049.02	\$2,536.89	\$848.39	11	\$1,097.59	\$554.17	\$278.45	\$93.12	21	\$685.39	\$346.05	\$173.87	\$58.15
2	5,098.04	2,574.01	1,293.32	432.52	12	1,024.54	517.29	259.91	86.92	22	665.37	335.95	168.80	56.45
3	3,464.89	1,749.43	879.00	293.96	13	962.92	486.18	244.28	81.69	23	647.20	326.77	164.19	54.91
4	2,648.94	1,337.46	672.01	224.73	14	910.28	459.60	230.93	77.23	24	630.64	318.41	159.99	53.50
5	2,159.88	1,090.53	547.94	183.24	15	864.82	436.65	219.39	73.37	25	615.50	310.77	156.15	52.22
6	1,834.25	926.12	465.33	155.62	16	825.19	416.84	209.34	70.01	26	601.61	303.75	152.52	51.04
7	1,602.02	808.86	406.41	135.91	17	790.37	399.06	200.51	67.05	27	588.83	297.30	149.38	49.96
8	1,428.15	721.08	362.31	121.16	18	759.55	383.50	192.69	64.44	28	577.05	291.35	146.39	48.96
9	1,293.20	652.94	328.07	109.71	19	732.10	369.64	185.73	62.11	29	566.15	285.65	143.63	48.03
10	1,185.49	598.56	300.75	100.58	20	707.52	357.23	179.49	60.03	30	556.06	280.76	141.07	47.18

OPTION C TABLE (PER \$10,000 OF POLICY BENEFIT)

MALE LIVES								FEMALE LIVES							
Age of Payee*	Full Cash Refund <sup>1</sup>	10 Years Certain	No Period Certain	Age of Payee*	Full Cash Refund <sup>1</sup>	10 Years Certain	No Period Certain	Age of Payee*	Full Cash Refund <sup>1</sup>	10 Years Certain	No Period Certain	Age of Payee*	Full Cash Refund <sup>1</sup>	10 Years Certain	No Period Certain
40	48.30	48.87	49.06	63	63.90	66.43	69.13	40	46.48	46.77	46.85	63	59.38	61.07	62.35
41	48.67	49.29	49.51	64	65.11	67.76	70.86	41	46.78	46.99	47.18	64	60.40	62.20	63.67
42	49.08	49.74	49.99	65	66.37	69.14	72.72	42	47.09	47.43	47.53	65	61.49	63.41	65.08
43	49.47	50.20	50.49	66	67.71	70.58	74.71	43	47.42	47.78	47.90	66	62.64	64.68	66.50
44	49.89	50.89	51.01	67	69.11	72.06	76.83	44	47.76	48.16	48.29	67	63.87	66.02	68.23
45	50.94	51.20	51.56	68	70.59	73.60	78.11	45	48.13	48.56	48.70	68	65.17	67.43	69.99
46	50.80	51.73	52.14	69	72.15	75.18	81.54	46	48.51	48.97	49.14	69	66.55	68.92	70.89
47	51.28	52.29	52.75	70	73.80	76.79	84.15	47	48.91	49.41	49.60	70	68.02	70.48	73.94
48	51.81	52.87	53.39	71	75.58	78.44	86.93	48	49.33	49.88	50.09	71	69.58	72.12	76.18
49	52.35	53.46	54.06	72	77.35	80.11	89.91	49	49.78	50.37	50.61	72	71.24	73.83	78.60
50	52.92	54.13	54.77	73	79.27	81.89	93.10	50	50.25	50.89	51.16	73	73.01	75.60	81.23
51	53.52	54.80	55.51	74	81.28	83.48	96.53	51	50.74	51.44	51.73	74	74.89	77.43	84.09
52	54.16	55.51	56.29	75	83.41	85.17	100.20	52	51.26	52.01	52.34	75	76.87	79.31	87.19
53	54.83	56.26	57.12	76	85.64	86.63	104.14	53	51.81	52.69	53.08	76	78.98	81.21	90.55
54	55.53	57.05	57.99	77	87.98	88.45	108.37	54	52.39	53.27	53.68	77	81.22	83.14	94.19
55	56.27	57.88	58.93	78	90.44	90.03	112.90	55	53.00	53.95	54.42	78	83.60	85.06	98.14
56	57.06	58.78	59.92	79	93.02	91.56	117.75	56	53.65	54.68	55.20	79	86.12	86.96	102.44
57	57.89	59.89	60.97	80	95.71	93.01	122.94	57	54.34	55.44	56.03	80	88.78	88.93	107.10
58	58.76	60.67	62.10	81	98.53	94.39	128.48	58	55.06	56.25	56.92	81	91.60	90.63	112.16
59	59.68	61.71	63.32	82	101.48	95.87	134.38	59	55.83	57.10	57.86	82	94.58	92.34	117.64
60	60.66	62.80	64.62	83	104.58	96.87	140.64	60	56.64	58.01	58.87	83	97.71	93.96	123.59
61	61.68	63.95	66.02	84	107.78	97.98	147.26	61	57.50	58.97	59.95	84	101.01	95.45	130.02
62	62.76	65.16	67.52	85	111.15	98.99	154.29	62	58.41	59.99	61.11	85	104.47	96.82	136.96

<sup>1</sup> If payee dies before total received equals the amount applied under full cash refund option, balance will be paid in one sum to estate of payee unless otherwise directed in the election of the option.

# PREFERRED RISK LIFE INSURANCE COMPANY

## OPTION D TABLE (PER \$10,000 OF POLICY PROCEEDS)

Male/ Female Age*	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
55	50.43	50.77	51.11	51.45	51.79	52.13	52.46	52.80	53.13	53.45	53.77	54.08	54.38	54.68	54.96	55.24
56	50.65	51.01	51.37	51.73	52.09	52.45	52.81	53.17	53.53	53.88	54.22	54.56	54.89	55.21	55.53	55.83
57	50.86	51.24	51.62	52.00	52.39	52.78	53.16	53.55	53.93	54.31	54.68	55.05	55.41	55.76	56.10	56.44
58	51.07	51.47	51.87	52.27	52.68	53.10	53.51	53.92	54.33	54.74	55.14	55.54	55.93	56.32	56.69	57.06
59	51.27	51.69	52.11	52.54	52.97	53.41	53.85	54.29	54.73	55.17	55.61	56.04	56.46	56.88	57.29	57.69
60	51.47	51.90	52.35	52.80	53.26	53.72	54.19	54.66	55.13	55.60	56.07	56.54	57.00	57.45	57.90	58.34
61	51.66	52.11	52.58	53.05	53.54	54.03	54.52	55.02	55.52	56.03	56.53	57.04	57.53	58.03	58.51	58.99
62	51.84	52.31	52.80	53.30	53.81	54.32	54.85	55.38	55.91	56.45	56.99	57.53	58.07	58.60	59.12	59.65
63	52.02	52.51	53.02	53.53	54.07	54.61	55.16	55.73	56.30	56.87	57.45	58.03	58.60	59.18	59.75	60.32
64	52.18	52.69	53.22	53.76	54.32	54.89	55.47	56.07	56.67	57.28	57.89	58.51	59.13	59.76	60.39	60.99
65	52.34	52.87	53.42	53.98	54.56	55.16	55.77	56.39	57.03	57.68	58.33	58.99	59.66	60.33	60.99	61.66
66	52.50	53.04	53.61	54.19	54.80	55.42	56.06	56.71	57.38	58.07	58.76	59.46	60.17	60.89	61.61	62.33
67	52.64	53.20	53.79	54.39	55.02	55.67	56.33	57.02	57.72	58.44	59.17	59.92	60.68	61.44	62.21	62.99
68	52.78	53.36	53.96	54.58	55.23	55.90	56.60	57.31	58.05	58.80	59.58	60.36	61.17	61.98	62.80	63.63
69	52.90	53.50	54.12	54.76	55.43	56.13	56.85	57.69	58.36	59.15	59.96	60.79	61.64	62.51	63.38	64.27
70	53.03	53.63	54.27	54.93	55.62	56.34	57.09	57.86	58.66	59.49	60.33	61.21	62.10	63.01	63.95	64.89

The age will be the age on the birthday nearest the date the first installment becomes payable. Values for ages not shown will be furnished upon request.

### INTEREST

Interest at a rate we set, but never less than 4.5% a year, will be applied to determine the payments under Option A and increase the payments under Option B.

### CONDITIONS

When a settlement option is elected, the following conditions will apply:

1. Any amount payable to an assignee will be paid in one lump sum.
2. The amount applied must be at least \$2,000 and result in periodic payments of at least \$25.
3. Settlement options are restricted if the recipient of benefits is not a natural person.
4. One of the persons on whose life payments under Options C and D are based must be the owner, insured or beneficiary. The size of payments depends on age and sex of the person or persons on whose life payments are based. We reserve the right to require evidence of age, sex and continuing survival. The age and sex will be determined as of the effective date of the supplementary contract.

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A COPY OF THE APPLICATION AND ANY RIDERS PROVIDING ADDITIONAL BENEFITS FOLLOW PAGE 4.

Flexible Premium Adjustable Life Policy. Adjustable Death Proceeds Payable at death prior to the Maturity Date. Flexible Premium Payable until Maturity Date or prior death. Net Fund Value Payable if Insured is living on Maturity Date. Non Participating. No Dividends are Payable.